

Minutes of the Financial Stability Oversight Board Meeting January 15, 2009

A meeting of the Financial Stability Oversight Board (“Board”) was held telephonically on Thursday, January 15, 2009, at 4:30 p.m. (EST).

MEMBERS PARTICIPATING:

Mr. Bernanke, Chairperson
Mr. Paulson
Mr. Cox
Mr. Preston
Mr. Lockhart

STAFF PARTICIPATING:

Mr. Treacy, Executive Director
Mr. Fallon, General Counsel
Mr. Gonzalez, Secretary

AGENCY OFFICIALS PARTICIPATING:

Mr. Kashkari, Interim Assistant Secretary of the Treasury for Financial Stability and Assistant Secretary of the Treasury for International Economics and Development

Mr. Hoyt, General Counsel,
Department of the Treasury

Mr. Lambright, Chief Investment Officer,
Office of Financial Stability,
Department of the Treasury

Mr. Wolfeich, Chief Compliance Officer,
Office of Financial Stability,
Department of the Treasury

Mr. Cartwright, General Counsel,
Securities & Exchange Commission

Mr. Scott, Senior Advisor to the Chairman, Securities and Exchange Commission¹

Mr. Borchert, Senior Advisor to the Secretary of the Department of Housing and Urban Development

Mr. DeMarco, Chief Operating Officer and Deputy Director for Housing Mission and Goals, Federal Housing Finance Agency

Ms. Anna Lee Hewko, Senior Project Manager, Division of Supervision and Regulation, Board of Governors of the Federal Reserve System

Chairperson Bernanke called the meeting to order at approximately 4:35 p.m. (EST).

The Members first discussed the Board’s report to Congress for the quarterly period ending December 31, 2008, pursuant to section 104(g) of the Emergency Economic Stabilization Act.

Officials from the United States Department of the Treasury (“Treasury”) briefed the Members regarding the package of capital purchases, loss-sharing guarantees and liquidity access that the Treasury, Federal Deposit Insurance Corporation (“FDIC”), and Federal Reserve proposed to provide Bank of America Corporation (“Bank of America”), which acquired Merrill Lynch & Co., Inc. on January 1, 2009. Members and officials reviewed and discussed, among other things, the principal terms of

¹ Only participated in a portion of the meeting.

the investment to be made by the Treasury under the Targeted Investment Program in Bank of America as part of this package of supports, including, among other things, the dividend rate on the \$20 billion in preferred stock that Treasury will acquire, associated warrants, and the dividend and executive compensation limits that would apply to Bank of America under the terms of the transaction. In addition, members and officials reviewed and discussed the principal terms and structure of the loss-sharing protections to be provided by the Treasury and the FDIC to Bank of America with respect to a designated pool of more than \$110 billion in assets, including the projected composition and size of the asset pool, the timeframe and process for assessing the value and projected losses on the assets, and the preferred equity that would be received in consideration for these guarantees.²

Treasury officials also provided a briefing on the Automotive Industry Financing Program (“AIFP”) and recent actions taken by the Treasury under the program. Members and officials reviewed and discussed, among other things, the timing of the second tranche of funding for General Motors Corporation (“GM”) under the existing \$13.4 billion senior loan agreement and of the loan of up to \$1 billion to GM for the purchase of equity of GMAC LLC (“GMAC”) as part of the rights offering to be conducted by GMAC in connection with its reorganization as a bank holding company.

Treasury officials and Members also reviewed and discussed a \$1.5 billion senior secured loan that Treasury expected to provide to Chrysler Financial

LLC (“Chrysler Financial”) under the AIFP. Members and officials discussed, among other things, the purpose, structure and timing of the facility, the interest rate and term of the loan, and the executive compensation and corporate expense restrictions that will apply to the company as part of the transaction.

Treasury officials also provided an update on the recent actions taken with respect to the loss-protection guarantee provided to Citigroup, Inc. (“Citigroup”) by the Treasury and FDIC with respect to a designated pool of more than \$300 billion of assets. Members and officials discussed, among other things, the date Treasury expected to make the guarantee operational, the composition of the assets in the designated pool, and the monitoring of the pool that Treasury expected to conduct in conjunction with its financial advisers.

Members and officials also reviewed the existing financial commitments of the TARP, and the level of uncommitted resources that remained available to the Treasury under the TARP.

The meeting was adjourned at approximately 5:30 p.m. (EST).

[Electronically Signed]

Jason A. Gonzalez
Secretary

² Mr. Scott then joined the meeting.